

**EXHIBIT “A”****RICO STATEMENT****QUESTION #2**

| <b>DEFENDANT</b>             | <b>MISCONDUCT</b>   | <b>BASIS OF LIABILITY</b>     |
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| Khalid Bin Salim Bin Mahfouz | <p>Khalid Bin Salim Bin Mahfouz (KBM) was Chief Operating Officer of the Bank of Credit and Commerce International (BCCI) between 1986 and 1990. In 1986, he became one of its major shareholders, holding 20% of the shares with his brothers.</p> <p>KBM was indicted on July 1, 1992 on charges of participation in a scheme to defraud customers of BCCI in violation of N.Y. Penal Law § 190.65. The indictment alleges a series of misrepresentations, false loans, and fraudulent conduct in failing to disclose the status of defendant's interest in BCCI.</p> <p>The 1992 US Senate Report on the BCCI Affair linked the bank to financial funding of the Afghan war.</p> <p><i>“(...) BCCI may have been moving money through the National Bank of Oman to fund the war in Afghanistan. The bank's role began to surface in the mid-1980's (...). This was confirmed in the Wall Street Journal of 23 October 1991 which quotes a member of the late General Zia's cabinet as saying 'It was Arab money that was pouring through BCCI.' The Bank which carried the money on from Oman to Pakistan and into Afghanistan was National Bank of Oman, where BCCI owned 29%.”</i></p> <p>Under Khalid Bin Mahfouz, the BCCI was also implicated in supporting terrorism, as reported by the US Senate.</p> <p><i>“In the course of targeting BCCI for laundering drug money, the CIA learned of BCCI's involvement in manipulating certain financial markets, in arms trafficking, and in supporting international terrorism, including handling the finances of Sabri Al-Bannah or Abu Nidal, and his terrorist organization.”</i></p> | 1962(a)<br>1962(c)<br>1962(d) |

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|  | <p>The Senate investigative Report detailed the initial involvement of the BCCI in terrorism financial support.</p> <p><i>“BCCI's support of terrorism and arms trafficking developed out of several factors. First, as a principal financial institution for a number of Gulf sheikhdoms, with branches all over the world, it was a logical choice for terrorist organizations, who received payment at BCCI-London and other branches directly from Gulf-state patrons, and then transferred those funds wherever they wished without apparent scrutiny. Secondly, BCCI's flexibility regarding the falsification of documentation was helpful for such activities. Finally, to the extent that pragmatic considerations were not sufficient of themselves to recommend BCCI, the bank's pan-third world and pro-Islam ideology would have recommended it to Arab terrorist groups.</i></p> <p>In 1986, KBM became President and CEO of Defendant National Commercial Bank (NCB) and its principal shareholder with control over more than 50% of the bank's capital.</p> <p>According to several testimonies, the NCB was operating during those years as a “financial conduit” for Osama Bin Laden operations as recalled by former CIA Chief of Counter-terrorism Vincent Cannistraro during a Congress Hearing in October 2001.</p> <p><i>“How does the al-Qaeda organization fund its worldwide network of cells and affiliated groups? Several businessmen in Saudi Arabia and in the Gulf contribute monies. Many of these contributions are given out of a sense of Islamic solidarity. But much of the money is paid as “protection” to avoid having the enterprises run by these men attacked. There is little doubt that a financial conduit to Bin Laden was handled through the National Commercial Bank, until the Saudi government finally arrested a number of persons and closed down the channel. It was evident that several wealthy Saudis were funneling contributions to</i></p> |  |
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|  | <p><i>Bin Laden through this mechanism.”</i></p> <p>A bank audit conducted in 1998 revealed that over a 10 year period \$74 million was funneled by NCB’s Zakat Committee to the International Islamic Relief Organization (IIRO), headed by Osama Bin Laden’s brother-in-law. The charity happened to be a major contributor to Osama Bin Laden’s operations :</p> <p><i>“Bin Laden used his personal fortune and continuing contributions from wealthy Islamic businessmen in Saudi and the Gulf to organize training camps in the Sudan for Islamic activists from every major Islamic country. These contributions, plus revenues from Islamic Charity fronts, such as the International Islamic Relief Organization, headed by Bin Laden’s brother-in-law, as well as numerous other charitable fronts, continue to fuel his group today.”</i></p> <p>The NCB audit report also stated that direct donations were “received through those [NCB] facilities to the Red Crescent Saudi Committee, International Islamic Relief Organization and Muwafaq Foundation”.</p> <p>In or about 1998, the NCB opened two “shared accounts” with Al-Rajhi Banking &amp; Investment Corp (Special Joint account #22 and #33) for IIRO as a member of the Saudi Joint Relief Committee for Kosovo and Chechnya (SJRC), which was founded in 1998 by the Kingdom of Saudi Arabia to funnel donations to Islamic fighters in Kosovo and Chechnya.</p> <p>The bank’s audit report shows that :</p> <p><i>NCB established special relations with the SJRC and maintained two shared accounts with Al-Rajhi Banking &amp; Investment Corp for IIRO and SJRC donations in Kosovo and Chechnya. These special accounts were not reviewed by the Audit Division nor by the Zakat Committee in 1998.</i></p> <p>According to a November 22, 1999 British intelligence report, the Saudi Arabian Royal family used NCB to</p> |  |
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|  | <p>channel funds to Osama Bin Laden as insurance against attacks on their assets. Similar reports surfaced in the fall of 1999 in Reuters and USA Today, quoting US intelligence sources stating an NCB audit conducted by Saudi government officials uncovered that \$3 million of protection money from five of Saudi Arabia's prominent business leaders' accounts was transferred to Blessed Relief (a/k/a Muwafaq Foundation), an al Qaeda charity front. According to the British intelligence report, Nimir Petroleum Limited was one of the assets for which the Royal family sought protection.</p> <p>NCB also provided facilities for a fundraiser to finance the families of the "heroes of the Palestinian uprising" sponsored by IIRO in 2000.</p> <p>KBM was dismissed from NCB in 1999 soon after the bank's audit report and placed under arrest in a Taif hospital in 2000. He remains a shareholder of NCB (10%), along with his wife, Naila Abdulaziz Kaaki (10%) and their sons (16% for both Abdulrahman and Sultan). KBM's brother-in-law, Saleh Hussein Kaaki, also sits on the NCB Board of Directors.</p> <p>In June 1991 the Bin Mahfouz family founded Muwafaq Ltd in the Isle of Man, a tax haven. Its backers were named as a group of Saudi investors from Jeddah. The same year, Muwafak Foundation (Blessed Relief) was established in Sudan with Yasin Al-Qadi acting as chairperson.</p> <p>Abdulrahman Bin Khalid Bin Mahfouz, son of KBM, became trustee of the Muwafaq Foundation (Blessed Relief) while serving as member of the board and Vice Chairman of the Executive Management Committee of NCB.</p> <p>Abdulrahman Bin Khalid Bin Mahfouz acknowledged in a recent interview with Forbes Magazine that Muwafaq Foundation was the "brainchild" of his father, "who funded it with as much as \$30 million".</p> <p>The assets of Muwaffaq Foundation and those of its Chairman, Yasin Al-Qadi, were frozen on October 12, 2001 by the US Treasury Department pursuant to Executive Order 13224 blocking property and prohibiting transactions with persons who commit, threaten to commit</p> |  |
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|  | <p>or support terrorism. The governments of the United Kingdom, Turkey, Kazakhstan, Albania, Slovenia and Switzerland have also followed suit.</p> <p>The US authorities described Yasin Al-Qadi as a "terrorist" and Muwaffaq Foundation as an organization that "financially supports terrorism" and "funnels money to the al Qaeda terrorist network". A Treasury Department statement added that :</p> <p style="padding-left: 40px;"><i>Muwafaq is an Al-Qaida front that receives funding from wealthy Saudi businessmen" (...)</i><br/> <i>"Saudi businessmen have been transferring millions of dollars to bin Laden through Blessed Relief.</i></p> <p>In an interview with the magazine <i>al-Watan al-Arabi</i> in 1996, Osama bin Laden stated that Muwaffaq in Zagreb is one of the humanitarian organizations that he is actively supporting.</p> <p>Yasin Al-Qadi, a close business associate of KBM, has already been cited in a case for providing financial support to terrorist activities. According to a 1998 FBI affidavit, Yasin Al-Qadi transferred \$820,000 to the Palestinian group Hamas through a Muslim foundation called the Quranic Literacy Institute as part of a loan Al-Qadi made in 1991.</p> <p>In all these capacities, including his capacity as President and CEO of Defendant National Commercial Bank and founder of the Muwafaq Foundation, Khalid Bin Salim Bin Mahfouz has committed multiple acts of conspiracy to commit murder and arson, money laundering, tax fraud, Travel Act violations, and material support of terrorists all in furtherance of the al Qaeda's common goals and ultimate plan of launching an attack on America.</p> |  |
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